

SENATE BILL 1118

By Harper

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 4, relative to privilege taxes related to the
financing of a convention center by certain
metropolitan governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated Title 7, Chapter 4, is amended by adding the
following language as a new part 2:

Section 7-4-2___. As used in this part, unless the context otherwise requires:

(1) "Metropolitan government" means any county having a metropolitan
form of government which has a population in excess of five hundred thousand
(500,000) according to the 2000 federal census or any subsequent federal
census;

(2) "Person" means any individual, firm, partnership, joint venture,
association, social club, fraternal organization, joint stock company, corporation,
estate, trust, business trust, business organization, receiver, trustee, syndicate,
or any other group or combination acting as a unit;

(3) "Tax collection official" means the department of finance of the county
or municipality, as applicable, or the county clerk, if so designated by ordinance
of the legislative body of any municipality having a metropolitan government.

Section 7-4-2___.
(a)

(1) There is hereby authorized a privilege tax on the privilege of
contracted vehicles exiting public airports located within the boundaries of
a metropolitan government. Such tax shall only be effective upon the

adoption of an ordinance by the metropolitan council to impose such privilege tax.

(2) Such tax shall be imposed only upon contracted vehicles which charge customers a separate fee for transportation from the airport unless otherwise excluded in this part.

(3) The tax shall be in the amount of two dollars (\$2.00) each time a contracted vehicle meeting the requirements of subdivision (2) exits the airport while transporting customers from the airport located within the territory of the metropolitan government, but shall exclude non commercial vehicles and equipment operated by the Metropolitan Transit Authority.

(b) The tax so imposed is a privilege tax upon the contracted vehicle exiting the airport and is to be collected and distributed as provided in this chapter.

(c) The privilege tax is due each time a contracted vehicle to which this section applies leaves the airport. The operator of the contracted vehicle shall be responsible for keeping accurate records to determine the amount of the tax due and payable. Such information shall be transmitted daily by the operator of the contracted vehicle to a designated individual within the business organization which hired the operator of the contracted vehicle. The privilege tax shall be remitted to the metropolitan tax collection official by a designated individual within such business organization not later than the 20th of each month.

Section 7-4-2__.

(a) Taxes due and payable that are not remitted to the tax collection official on or before the due dates are delinquent.

(b) The person owing such taxes shall be liable for interest on such delinquent taxes from the due date at the rate of eight percent (8%) per annum, and in addition for penalty of one percent (1%) for each month or fraction of a month that such taxes are delinquent. Such interest and penalty shall become a part of the tax required in this chapter to be remitted.

(c) Willful refusal of a person to collect or remit the tax or willful refusal of an operator of a contracted vehicle to keep accurate records of the tax due and payable is a Class C misdemeanor.

(d) Any fine levied in this chapter shall be applicable to each individual transaction involving an operator of a contracted vehicle for willful refusal to keep accurate records or the willful refusal of a person to collect or remit the tax due and owing.

Section 7-4-2____. All revenues received by the metropolitan government from this privilege tax shall be deposited into a metropolitan government fund entitled "The Convention Center Fund" and shall be used for the purpose of paying costs incurred in modification or construction of a publicly owned convention center in excess of four hundred million dollars (\$400,000,000) in costs located within the territory of the metropolitan government. If the revenues from such surcharge or tax in any fiscal year exceeds the total of such debt service requirements from that year, such surplus revenue thus accruing shall be retained by the metropolitan government as a sinking fund for future debt service requirements.

Section 7-4-2____. In the event that the total bonded indebtedness incurred for the modification or construction of such convention center facility by the metropolitan government shall be paid in full as to bond and interest, including expenses of bond sale or sales, the metropolitan government's taxing resolution shall be repealed and this tax

shall no longer be levied. Provided, however, that any funds remaining in the sinking fund after all obligations imposed under the provisions of this part have been fulfilled, shall be paid over to the governmental board or agency responsible for the operation of the convention center for use by it in the promotion and advertisement of the convention center facilities.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.